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EXAMINER

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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 10/686,758  
Filing Date: October 15, 2003  
Appellant(s): PHILLIPS ET AL.

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Michael J. Bolan  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the appeal brief filed April 3, 2008, appealing from the Office action mailed October 18, 2007.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

**(6) Grounds of Rejection to be Reviewed on Appeal**

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

**(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

### **(8) Evidence Relied Upon**

5,772,248

PHILLIPS

6-1998

### **(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claims 1, 3-4, 9-11, 15-20, 22-23, 28-29, 33-49 are rejected under 35 U.S.C. 102(b) as being anticipated by Phillips (U.S. 5,772,248).

Phillips discloses a copy resistant security sheet (column 1, lines 8-12 and column 2, lines 34-39) comprising a substrate (11) made of paper, an overlay marker (reflective layer) (10) made of metallic reflective material and a diffusing projected marking (diffusing layer) (16) (column 3, lines 10-36 and column 4, lines 30-35 and Figures 1 and 5). The reflective layer has a reflectance of at least eighty percent (column 3, lines 45-50 and Figure 2). The diffusive background layer (16) is white and non-black and the reflective elements have a rectilinear structure (column 5, lines 4-25

and Figure 5). The image relief structure is a series of alpha-numeric characters to provide informational content to the contrasting visible image, where the latent image is hidden when an observer views the sheet at a certain angle (column 2, lines 50-53 and column 3, lines 45-50). Phillips discloses the latent image is formed on the surface of the overlay marker (column 4, lines 46-47). The image structure (18) comprising a light reflecting surface. Phillips discloses the overlay marker comprises ink or toner receptive material (column 6, lines 50-52) as in claim 43. It is inherent that the hidden message (bear information) of Phillips would be unreadable on a document copy. The claiming of a new use, new function or unknown property which is inherently present in the prior art does not necessarily make the claim patentable. In re Best, 562 F.2d 1252, 1254, 195 USPQ 430, 433 (CCPA 1977). Mere recitation of newly-discovered function or property, inherently possessed by things in prior art, does not cause claim drawn to those things to distinguish over prior art. In claims 38-39, 41-42, 44-45 and 47-48, the phrase, "for allowing the bearer information to be readable on an original document" constitutes a 'capable of' limitation and that such a recitation that an element is 'capable of' performing a function is not a positive limitation but only requires the ability to so perform.

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the

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invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 6, 14, 25, 32 are rejected under 35 U.S.C. 103(a) as being unpatentable over Phillips (U.S. 5,772,248).

Phillips is cited for the same reasons previously discussed, which are incorporated herein and is relied upon for instant claims 1 and 20. Phillips does not disclose the reflective layer being disposed over the entirety of the substrate, the reflective elements being curvilinear or the font size of the reflective elements. It would have been an obvious matter of design choice to extend the reflective layer to cover the entire substrate and to change the shape of the reflective elements to curvilinear, since such a change in size and/or shape is generally recognized as being within the level of ordinary skill in the art. In re Rose, 105 USPQ 237 (CCPA 1995).

#### **(10) Response to Argument**

Issue A (1): Rejection of claims 1,3, 4, 15-17, 20, 22, 23, 33-35, 38, 41, 44 and 47 under 35 U.S.C. 102(b) over Phillips.

Appellant argues a claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference and Phillips does not disclose each and every limitation required by claims 1, 3, 4, 9-11, 15-20, 22, 23, 28, 29 and 33-49, as Phillips is missing any disclosure that bearer information that is overprinted on the original document is rendered unreadable on a copy of the document.

Examiner acknowledges that "To anticipate a claim, a prior art reference must disclose every limitation of the claimed invention, either explicitly or inherently." *In re Schreiber*, 128 F.3d 1473, 1477 (Fed. Cir. 1997); accord *Glaxo, Inc. v. Novopharm, Ltd.*, 52 F.3d 1043, 1047 (Fed. Cir. 1995). However, anticipation by a prior art reference does not require that the reference recognize either the inventive concept of the claimed subject matter or the inherent properties that may be possessed by the prior art reference. See *Verdegaal Bros., Inc. v. Union Oil Co.*, 814 F.2d 628, 633 (Fed. Cir.) (1987).

Phillips discloses a copy resistant security sheet (column 1, lines 8-12 and column 2, lines 34-39) comprising a substrate, an overlay marker (reflective layer) (10) and a diffusing projected marking (diffusing layer) (16) (column 3, lines 10-36 and column 4, lines 30-35 and Figures 1 and 5) where a latent image (bearer information) (14) is imprinted on the surface of the overlay marker and diffusing layer (column 3, lines 61-62; column 4, lines 46-47 and Figures 1, 3 and 5) as the height, width and spacing of the raised markings (16) is for illustration only (column 4, lines 34-36). The latent image (bearer information) is hidden when an observer views the sheet at a certain angle (column 2, lines 50-53 and column 3, lines 45-50). It is inherent that the hidden message (bearer information) of Phillips would be unreadable on a document copy, as copiers conventionally do not reproduce hidden messages, especially a message that is only readable at certain angles, as copiers reproduce visually readable text or printing. The claiming of a new use, new function or unknown property which is inherently present in the prior art does not necessarily make the claim patentable. *In re*

*Best, 562 F.2d 1252, 1254, 195 USPQ 430, 433 (CCPA 1977)*. Mere recitation of newly-discovered function or property, inherently possessed by things in prior art, does not cause claim drawn to those things to distinguish over prior art.

Appellant further argues the latent image (14) is not overprinted on the image structure (18) and raised markings (16), since the latent message is optically formed by the contrast between the image structure 18 and raised markings 16.

Examiner maintains a latent image (bearer information) (14) is imprinted on the surface of the overlay marker and diffusing layer (column 3, lines 61-62; column 4, lines 46-47 and Figures 1, 3 and 5) as the height, width and spacing of the raised markings (16) is for illustration only (column 4, lines 34-36). Column 3, lines 61-62 explicitly discloses the image (14) is imprinted over the overlay marker and subsequently the diffusing layer.

Appellant argues by reading the context of the entire prior art reference, it is clear that the relief structure that forms the latent image (14) is overprinted on the overlay marker (10) and not the relief image structure (18) and the relief background structure (16).

The overlay marking is formed by the raised markings (16) and image structure (18) (column 5, lines 46-50). Because the latent image (14) is imprinted over the overlay marker (column 3, lines 61-62) it is also printed over the raised markings (16) and image structure (18) which form the overlay marker.



Appellant argues it has not been shown that the latent image (14) incorporated into the original document (12) of Phillips would necessarily be unreadable on a copy of the document (12).

Examiner maintains that it is inherent that the hidden message (bearer information) of Phillips would be unreadable on a document copy, as copiers conventionally do not reproduce hidden messages, especially a message that is only readable at certain angles, as copiers reproduce visually readable text or printing.

Appellant argues although the latent image is not readable when viewing the document at a perpendicular angle, and copy machines view document at a perpendicular angle during the copying function, this does not mean that the latent message (14) will not appear on a copy of the document, since the human eye/brain operates in a different manner than copy machines. Appellant turns to column 4, lines 1-6 of U.S. 5,704,651, which describes reflective elements that turn black on a document copy that blend in with a camouflaging background pattern to actually cause information to be unreadable on the document copy, resulting in a clearly readable message when contrasted with the image of the markings (16) on the document copy.

Examiner acknowledges Applicant's reliance on Phillips (U.S. 5,704,651). Column 4, lines 1-6 of Phillips '651 teaches an overprint produced to create a reflective image *normally* permits it to be copied as a black image by xerographic photocopying rendering the overprint image on a copy virtually unreadable at any angle as opposed to the way it appears on the original. Because Phillips '651 teaches overprinted reflective images normally permit it to be copied does not necessarily mean the overprint of

Phillips '248 would necessarily be copied as a black image. However, even if the overprint of Phillips '248 would be copied as a black image, Phillips '651 teaches that the overprint image on a copy would be virtually unreadable at any angle as opposed to the way it appears on the original. Phillips '651 does not teach the copied overprint being clearly readable under any circumstance.

Issue A (2): Rejection of claims 9, 10, 18, 19, 28, 36 and 37 under 35 U.S.C. 102(b) over Phillips.

Appellant argues it has not been shown that the relief markings (16) disclosed in Phillips are non-black or white, as the depiction in Figure 5 of Phillips cannot be relied upon. Examiner maintains that the diffusive background layer (16) is white and non-black as shown in Figure 5. Furthermore Figure 3 shows the diffusive layer (16) is white and non-black, where if Phillips wanted to display the diffusive layer in any color other than white, it would be blackened, as shown for the overprint (14) which is darkened to show that it is non-white.

Issue A (3): Rejection of claims 11 and 29 under 35 U.S.C. 102(b) over Phillips.

Appellant argues claims 11 and 29 require that at least a portion of the diffusive background pattern be composed of a plurality of nano-characters, which is not taught by Figure 5 of Phillips. Figure 5 shows each raised marking (16) as combining to form a plurality of nano-characters (rectilinear structures), where the rectilinear structures combine to form the diffusing layer.

Issue A (4): Rejection of claims 39, 42, 45 and 48 under 35 U.S.C. 102(b) over Phillips.

Appellant argues claims 39, 42, 45 and 48 require the reflective elements to be configured for allowing bearer information to be readable on an original of the document at any viewing angle. The Examiner maintains the phrase, “for allowing the bearer information to be readable on an original document” constitutes a ‘capable of’ limitation and that such a recitation that an element is ‘capable of’ performing a function is not a positive limitation but only requires the ability to so perform, where the security sheet of Phillips appears to be capable of allowing the bearer information to be readable on an original document, based upon its interaction with the reflective and diffusive layers taught by Phillips.

Issue A (5): Rejection of claims 40, 43, 46 and 49 under 35 U.S.C. 102(b) over Phillips.

Appellant argues claims 40, 43, 46 and 49 require that the bearer information be overprinted using toner or ink, which is taught in Phillips in column 3, lines 61-62 and column 6, lines 50-52. Appellant argues the toner or image receptive material on the overlay marker is not the same as the imprinted image (14) (column 3, lines 61-62). Because the imprinted image relief pattern (14) is imprinted on the overlay marker, which comprise the reflective and diffusing layers and the overlay marker comprises ink or toner receptive material, it is reasonable to conclude that the imprinted image relief

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pattern (14) is imprinted with the ink or toner as disclose in column 6, lines 50-52 of Phillips.

Issue B: Rejection of claims 6, 14, 25 and 32 under 35 U.S.C. 103(a) over Phillips.

Appellant argues Phillips does not disclose bearer information overprinted on the reflective and diffusive layers, and that such bearer information be unreadable on a copy of the document, as required by independent claims 1, 15, 20 and 33.

As indicated earlier, Phillips discloses a copy resistant security sheet (column 1, lines 8-12 and column 2, lines 34-39) comprising a substrate, an overlay marker (reflective layer) (10) and a diffusing projected marking (diffusing layer) (16) (column 3, lines 10-36 and column 4, lines 30-35 and Figures 1 and 5) where a latent image (bearer information) (14) is imprinted on the surface of the overlay marker and diffusing layer (column 3, lines 61-62; column 4, lines 46-47 and Figures 1, 3 and 5) as the height, width and spacing of the raised markings (16) is for illustration only (column 4, lines 34-36). The latent image (bearer information) is hidden when an observer views the sheet at a certain angle (column 2, lines 50-53 and column 3, lines 45-50). It is inherent that the hidden message (bearer information) of Phillips would be unreadable on a document copy, as copiers conventionally do not reproduce hidden messages, especially a message that is only readable at certain angles, as copiers reproduce visually readable text or printing. The claiming of a new use, new function or unknown property which is inherently present in the prior art does not necessarily make the claim

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patentable. *In re Best*, 562 F.2d 1252, 1254, 195 USPQ 430, 433 (CCPA 1977). Mere recitation of newly-discovered function or property, inherently possessed by things in prior art, does not cause claim drawn to those things to distinguish over prior art.

Additionally, further considering Applicant's earlier reliance upon Phillips (U.S. 5,704,651), Phillips '651 teaches that the overprint image on a copy would be virtually unreadable at any angle as opposed to the way it appears on the original (column 4, lines 1-6).

#### **(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

Conferees:

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